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BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION  
DOCKETS

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Application of )  
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 EVERGREEN INTERNATIONAL )  
 AIRLINES, INC. )  
 )  
 for an exemption from the provisions )  
 of 49 U.S.C. § 41101 and allocation of )  
 frequencies (U.S.- Ecuador scheduled )  
 all-cargo service) )  
 )  
 In the Matter of U.S.-Ecuador All-Cargo )  
 Frequencies )  
 )

Docket OST-2002-12503 - 8

SUPPLEMENT TO APPLICATION OF  
EVERGREEN INTERNATIONAL AIRLINES, INC.  
FOR AN EXEMPTION AND ALLOCATION OF FREQUENCIES

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this document should be sent to:

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**Service by e-mail or fax requested in this  
proceeding**

Counsel for EVERGREEN  
INTERNATIONAL AIRLINES, INC.

DATED: July 19, 2002

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Application of	)	
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EVERGREEN INTERNATIONAL	)	
AIRLINES, INC.	)	
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of 49 U.S.C. § 41101 and allocation of	)	
frequencies (U.S.- Ecuador scheduled	)	
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In the Matter of U.S.-Ecuador All-Cargo	)	Docket OST-2002-12503
Frequencies	)	July 19, 2002
	)	

By Notice served July 3, 2002 in the above-captioned proceeding, the Department ordered the release of certain U.S.-Ecuador traffic data and revised the procedural schedule to permit the five applicants to review that data and supplement their applications. In accordance with the Notice, Evergreen International Airlines, Inc. ("Evergreen") respectfully supplements its June 28, 2002 application requesting: (1) scheduled, all-cargo exemption authority to operate between Miami, Florida and the co-terminals Guayaquil, Latacunga and Quito, Ecuador and to integrate that authority with its existing international authority; and (2) the allocation of two weekly round trip frequencies. Of the five applicants, only Evergreen proposes single-plane, all-cargo

service between New York and Ecuador (via Miami), and the Department's traffic data, together with an analysis of current all-cargo schedules, show that such service would be particularly valuable.

The Department's traffic data confirms a substantial market for Ecuador-New York cargo service. In 2001, for example, reported nonstop air cargo traffic from the key Ecuador gateways, Quito and Guayaquil, to New York/Newark was already more than 7% of the reported nonstop Quito/Guayaquil-Miami air cargo traffic, despite the fact that only belly-cargo service was offered to New York, in contrast with the substantial freighter and belly-cargo services offered to Miami. This New York-bound nonstop traffic has largely been relegated to a foreign-flag carrier operating combination air services, LanChile, S.A. (which stepped in after Ecuatoriana left the market); Continental nonstop air cargo traffic to Newark was very modest. Similarly, in the Department's data 2001 nonstop air cargo traffic from New York/Newark to Quito and Guayaquil was almost 10% of the Miami figure.

Evergreen's representative in Ecuador confirms that significant export traffic (flowers and, to a lesser extent, fresh fish and other commodities) moves from Ecuador to New York. Much of this traffic today must be trucked from Miami. The balance generally is routed: on LanChile's combination services to New York; over Bogota, Colombia by Avianca and (to a lesser extent) Continental; and over Panama City, Panama on Continental.

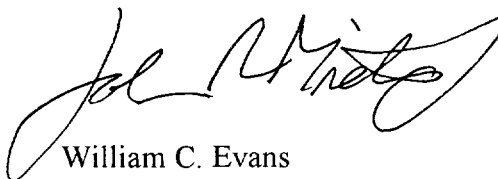
Published U.S.-Ecuador cargo schedules reflect a clear need for U.S.-flag service behind Miami to meet substantial foreign-flag competition. According to the July 2002 *OAG Cargo Guide*, LanChile publishes several weekly belly-cargo services in the

Guayaquil-New York market, and Varig Logistica publishes a weekly DC-10 freighter service in the Guayaquil-Los Angeles market. Further, Martinair Holland, which has reported significant northbound Ecuador-U.S. traffic in the past, shows a weekly Quito-Atlanta service on its summer 2002 intra-Americas cargo schedule available at [www.martinaircargo.com](http://www.martinaircargo.com). LanChile Cargo's northbound timetables, available at [www.lancargo.com](http://www.lancargo.com), show twice-weekly Guayaquil-Los Angeles freighter service, apparently on LanChile affiliate Mas de Carga. By contrast, the *OAG Cargo Guide* shows no northbound Ecuador cargo schedules for U.S.-flag carriers to U.S. points other than Miami.

All of these factors support a grant of authority to Evergreen to provide its proposed New York/Miami-Ecuador scheduled service. In addition to enhancing competition at the traditional Miami gateway, Evergreen's proposal would expand scheduled freighter service behind Miami to a significant U.S.-Ecuador traffic point, New York. Shippers in the New York-Ecuador market will benefit from a convenient, direct freighter service for time-sensitive shipments, and the new service will foster intergateway competition and competition with foreign-flag carriers now offering direct service.

WHEREFORE, Evergreen International Airlines, Inc. respectfully requests that the Department grant its application, as supplemented, in its entirety and such other and different relief as the Department may deem in the public interest.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John R. Mietus, Jr.", written in a cursive style.

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July 19, 2002

CERTIFICATE OF SERVICE

I hereby certify that I have this 19<sup>th</sup> day of July, 2002 served a copy of the foregoing Supplement to Application upon the following by electronic mail:

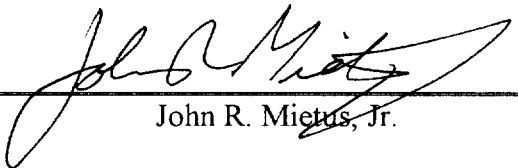
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